

# LYNCHBURG CITY COUNCIL

## Agenda Item Summary

MEETING DATE: **November 23, 2004**

AGENDA ITEM NO.: 9

CONSENT:

REGULAR: **X**

CLOSED SESSION:

ACTION: **X**

INFORMATION:

ITEM TITLE: **Sale of 1016 Jefferson Street**

### RECOMMENDATION:

Authorize the sale of City-owned property at 1016 Jefferson Street to Oliver Kuttner for rehabilitation.

### SUMMARY:

The City purchased the property at 1016 Jefferson Street from CSX Railroad on March 26, 2004 for \$1.00. The purchase included .213 acres of land. The structure is a 10,742 square foot, two-story, painted brick building plus a basement. It is in disrepair and requires substantial rehabilitation for occupation.

As part of the Downtown Riverfront Master Plan 2000, the land where this building sits was shown to be part of the Jefferson Street Promenade (along the Riverfront Park). However, it was stated in the Plan that if an interested party wanted to rehabilitate the building that it should be saved. The building will be incorporated into the Plan as a complement to the Riverfront Park and adjoining warehouses on Jefferson Street.

Oliver Kuttner, a Charlottesville developer, has submitted a proposal for the rehabilitation of the building. He will use his own funds and will serve as general contractor. He has numerous tenants in over twelve commercial buildings in Charlottesville, some of whom have expressed interest in expanding their businesses to Lynchburg.

### PRIOR ACTIONS:

03/26/2004: City purchased 1016 Jefferson Street from CSX Railroad for \$1.00.

05/01/2004: City publicly advertised Request for Proposal (RFP) for rehabilitation of 1016 Jefferson Street

### FISCAL IMPACT:

It is anticipated that the property will increase in value from \$1,000,000 to \$2,000,000 resulting in over \$11,000 in annual real estate tax income for the City. This is in addition to any sales and/or meals tax that will be generated by new retail occupants.

CONTACTS: Kimball Payne -455-3990

Rachel Flynn – 455-3902

ATTACHMENTS: Resolution; Agreement with City

REVIEWED BY: lkp

## RESOLUTION

BE IT RESOLVED That the Council of the City of Lynchburg hereby determines that the City has no need for the City-owned property at 1016 Jefferson Street and hereby approves the sale of the structure and land to be determined by survey to Oliver Kuttner for \$1 for rehabilitation of said property within three years from the date of the conveyance of the property.

BE IT FURTHER RESOLVED That the City Manager is hereby authorized to execute the appropriate documents for the sale of the property.

Introduced:

Adopted:

Certified:

\_\_\_\_\_  
Clerk of Council

162P

## **DEVELOPMENT AGREEMENT**

This Development Agreement (this "Agreement") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2004 by and between the City of Lynchburg ("the City") and Oliver Kuttner (the "Developer").

### **RECITALS**

- A. The City and the Developer wish to continue to promote and encourage the economical development and vitality of the City's downtown area through the renovation and revitalization of existing buildings.
- B. The City is the owner of the old rail depot building located at 1016 Jefferson Street.
- C. The Developer is seeking to acquire property in Lynchburg for renovation purposes, having previously successfully completed a number of renovation projects in Charlottesville.
- D. The City and the Developer have determined that the renovation of the rail depot building at 1016 Jefferson Street will increase the City's tax base, result in increased employment opportunities, generally enhance economic conditions and help promote downtown revitalization.
- E. The parties desire to enter into this agreement to set forth the terms and conditions under which the City will convey the rail depot building at 1016 Jefferson Street to the Developer and the conditions under which the Developer will renovate the property.

### **CITY COMMITMENTS**

In consideration of the premises and the commitments made by the Developer in this Agreement, the City agrees to convey the rail depot building located at 1016 Jefferson Street to the Developer for the sum of \$1.00.

### **DEVELOPER COMMITMENTS**

- A. The Developer shall immediately begin the renovation of the property and shall obtain a certificate of occupancy for the initial renovation within 18 months of the conveyance of the property to the Developer by the City. The renovation of the property at 1016 Jefferson Street shall be completed within 3 years from the date of the conveyance of the property to the Developer by the City. The property shall be renovated for a variety of mixed usages that may include such things as a restaurant, coffee shop, clothing shop, other retail uses, offices, residential use, etc. The renovation of the property shall be in accordance with the May 18, 2004, Development Proposal that was submitted to the City by the Developer, a copy of which is attached to this Agreement and by this reference made a part hereof.
- B. If the Developer fails to obtain a certificate of occupancy within 18 months of the conveyance of the property or to complete the renovation of 1016 Jefferson Street within 3 years from the date of the conveyance of the property to the Developer by the City, the Developer shall within 30 days after receiving a demand for payment from the City, pay to the City the sum of ten-thousand dollars (\$10,000.00), which is the current assessed value of the rail depot building.

## **NOTICE**

All notices and other communications pursuant to this Agreement shall be in writing to the following addresses or such other addresses as may be specified from time to time by the City or the Developer:

A. If to the City:

L. Kimball Payne, III, City Manager  
City Manager's Office  
City Hall Building, 900 Church Street  
Lynchburg, Virginia 24504

B. If to the Developer:

Oliver Kuttner  
108 2nd Street, SW #2  
Charlottesville, Virginia 22902

## **GENERAL PROVISIONS**

- A. The City and its representatives shall the right to come onto the property during regular business hours to monitor the progress of the renovation work.
- B. This Agreement shall be governed in all aspects by the laws of the Commonwealth of Virginia.
- C. Neither this Agreement nor any of the rights, interests or obligations hereunder, shall be transferred or assigned by the Developer without the prior written consent of the City.
- D. If any of the terms or conditions of this Agreement are held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, such provision is intended to be in effective only to the most limited extent possible and the remainder of the terms and conditions in this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

WITNESSETH, the following signatures

CITY OF LYNCHBURG

By: \_\_\_\_\_  
L. Kimball Payne, III, City Manager

\_\_\_\_\_  
Oliver Kuttner